



DEPARTMENT OF HUMAN SERVICES

South Dakota DDD Rate Rebase Workgroup Meeting 2

August 19, 2019 1 p.m. to 4 p.m. CT

Agenda

Monday, August 19th from 1:00 p.m. to 4:00 p.m. CDT

1:00 – 1:10	Introductions
1:10 – 1:30	Project Review
1:30 – 2:30	Data Source Findings & Recommendations
2:30 – 3:30	Approaches
3:30 – 4:00	Next Steps

Introductions

CSP Representatives

- Randy Meendering, ED, CFI, – Huron, SD
- Pam Hanna, ED, LifeQuest – Mitchell, SD
- Steve Watkins, CEO, LifeScape – Sioux Falls, SD
- Bob Bohm, ED, DakotAbilities – Sioux Falls, SD
- Brad Saathoff, ED, BHW – Rapid City, SD
- Melony Bertram, ED, CCI – Winner, SD
- Dan Cross, ED, CSPofSD

Introductions

DDD

- Darryl Millner, Director
- Julie Hand, Assistant Director
- Julie Johnson-Dresbach, Transitions Manager
- Liliana Borcea, Financial Program Manager
- Barb Hemmelman, Employment and Community Life Engagement Manager
- Jaze Sollars, Waiver Administrator
- Bianca Villapudua, Program Specialist

Introductions

DHS

- Denice Houlette, Director, DHS B&F
- Greg Evans, Audit Manager, DHS B&F
- Alana Suiter, PR&G Manager, DHS B&F

LRC

- Tami Darnall, Chief Fiscal & Program Analyst
- Sakura Rohleder, Fiscal & Program Analyst


A&M

- Wanda Seiler, Senior Director, Alvarez & Marsal
- David Vince, Manager, Alvarez & Marsal

Project Review: Deliverables

- Review of Data Sources
 - Provider cost reports
 - ICAP
 - Activity logging
 - Special program code
 - Home size
- Rebase & Remodel Project Plan (see handout)
- Background / Recommendations

Project Review: Timelines

SD DDD Rebase Remodel Calendar 8/11/2019	SFY20 July 1, 2019												SFY21 July 1, 2020												SFY22 July 1, 2021													
	2019						2020						2020						2021						2021													
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D								
DHS Budget Submission	AUG-SEP '19												AUG-SEP '20																									
Legislative Session	JAN-MAR '20												JAN-MAR '21																									
Gather Data	Behavior Risk Screens Residential & Day Staffing Ratios																																					
Rate Setting Contractor	Develop Project Plan		Request Contractor Funding		Rebase / Remodel FY19 Cost Reports (JUL '18 – 'JUN 19 submitted by JAN '20) FY19 ICAP from JAN '19 – DEC '19																																	
Provider Rates	Request Funding																		Fiscal Impact																			
Waiver Amendment	Draft Waiver Amendment																		Public Comment Finalize		Submission to CMS		Implementation Amend for Rates															
Change Management	System Impact Analysis and Planning																		System Updates																			

Data Sources: Cost Reports

- Preliminary review of 2018 reports indicates inadequate accounting for non-allowable costs
- Common unallowable costs include but are not limited to (see handout)
 - Room and Board
 - Costs Unrelated to participant care
 - TPL
- Additional analysis of FY18 reports are underway
 - Review of cost allocation methodology
 - % for administration
 - % for employee related expense (ERE)
 - % for program support
 - % of total costs for staffing
 - % of total costs for residential vs. day
 - % of total costs for health care

Cost Report Recommendations

- Use FY19 cost reports for rebase (cost information from July 1, 2018 – June 30, 2019 submitted to DDD by January 31, 2020)
- Rebase may require additional review to ensure appropriate accounting for non-allowable costs
- Considering updates to cost report guidelines prior to data collection for FY21 beginning July 1, 2020

Data Sources: ICAP

- Preliminary review identified a significant correlation between special rates due to behavioral challenges and maladaptive indices
 - Maladaptive Asocial (Socially Offensive, Uncooperative)
 - Maladaptive External (Hurtful to Other, Destructive, Disruptive)
 - Maladaptive General (All behaviors)
- DDD is considering the addition of a risk assessment to tease out the nuances of serving this population
- Additional analysis is underway

Data Sources: Activity Logging

- Providers and DDD are reluctant to do activity logging
- Systems to support activity logging are obsolete
- Activity logging challenges
 - Labor intensive
 - Validity
 - Reliability

Activity Logging Recommendations

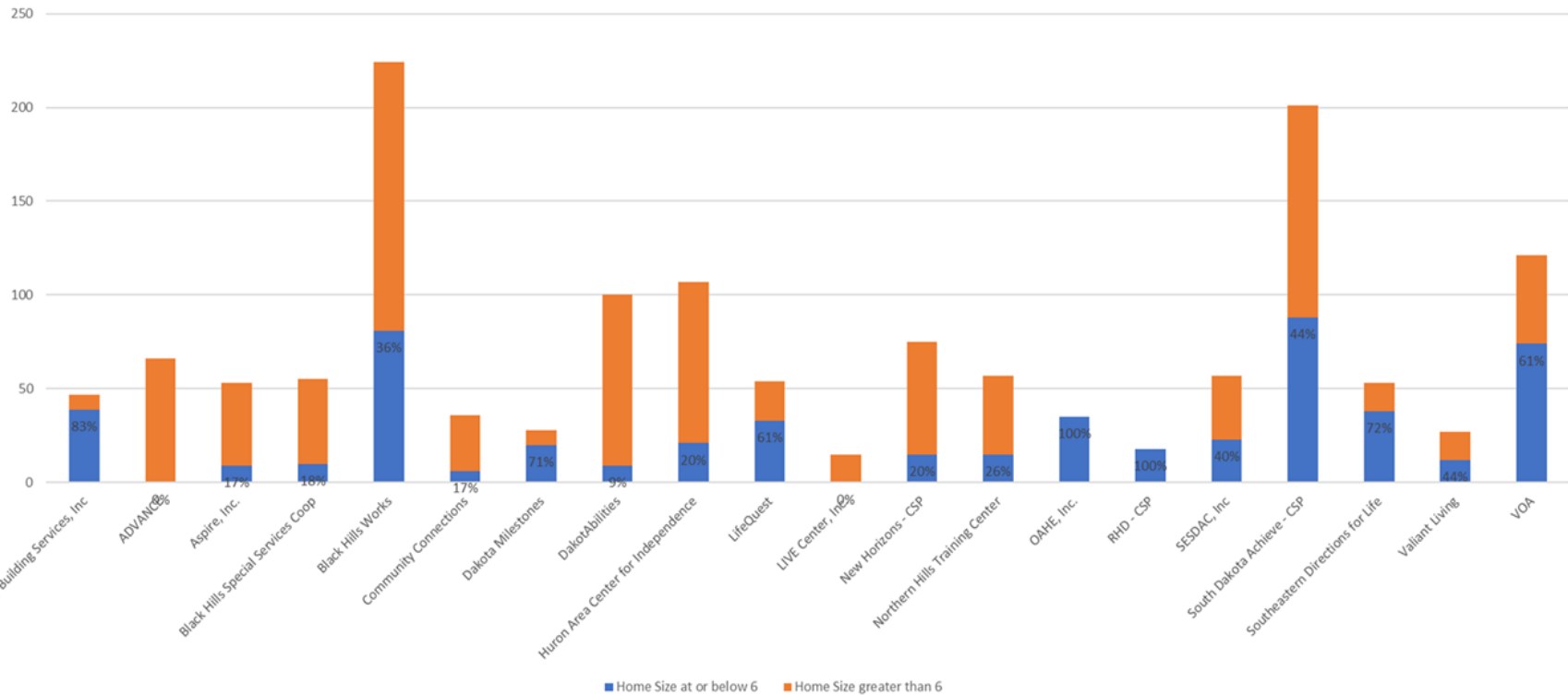
- Consider staffing surveys as an alternative for congregate residential and day settings (see handout)
- Gather data for 3 to 4 weeks from the period of October 1, 2019 – February 28, 2020
- Pilot the residential tool prior to statewide distribution
- Refine the tool for day settings after the residential pilot is complete

Data Sources: Home Size

Provider	Home Size at or below 6	Home Size greater than 6	Proportion at or below 6
Ability Building Services, Inc	39	8	83%
ADVANCE	0	66	0%
Aspire, Inc.	9	44	17%
Black Hills Special Services Coop	10	45	18%
Black Hills Works	81	143	36%
Community Connections	6	30	17%
Dakota Milestones	20	8	71%
DakotAbilities	9	91	9%
Huron Area Center for Independence	21	86	20%
LifeQuest	33	21	61%
LIVE Center, Inc.	0	15	0%
New Horizons - CSP	15	60	20%
Northern Hills Training Center	15	42	26%
OAHE, Inc.	35	0	100%
RHD - CSP	18	0	100%
SESDAC, Inc	23	34	40%
South Dakota Achieve - CSP	88	113	44%
Southeastern Directions for Life	38	15	72%
Valiant Living	12	15	44%
VOA	74	47	61%

Data Sources: Home Size

Proportion of Capacity in Homes at or below Target Size, by Provider



Data: Home Size

State of the States ranks SD 45th among US states and DC; last among Rocky Mountain Region states (<http://stateofthestates.org>) in people living in settings of 6 or fewer

All States

- Mississippi 35.9%
- Illinois 48.2%
- Louisiana 56.2%
- Oklahoma 58.3%
- Arkansas 60%
- Alabama 67.0%
- South Dakota 67.7%

Rocky Mountain Region

- South Dakota 67.7%
- North Dakota 69.6%
- Utah 70.7%
- Montana 71.8%
- Wyoming 92.2%
- Colorado 95.9%

Home Size Recommendations

- Rebase must consider costs of downsizing large congregate residential settings
- Work to decrease home size and elimination of sheltered workshops should be initiated as soon as possible.

Other Data Sources

- Discontinue
 - Geographical differences captured by “economic factors”
 - Age
- Rebase must anticipate the intensive needs of children in specialized programs
- Need to reconfigure payments for other medical services
- Special rates constitute almost 15% of Choices waiver billing

Approach

- Value base purchasing
 - Typically focuses on outcomes rather than compliance data
 - CQL sample size is not large enough
- Contrast value-based purchasing with benchmark/milestone payments
 - Job Discovery
 - Job Development
 - Job Customization
 - Ongoing Job Supports

Approach

- Regulatory Compliance
 - Bundled payments
 - Day Services
 - Choice

Approach

- Rebase
 - Determine the cost of service
 - Review and refine service definitions
 - Add waiver services?
- Remodel
 - How services are authorized, billed and paid
 - 1915(b)(c) combo allows a bundled rate to a provider
 - Changes to ensure compliance will require significant administrative effort

Approach



Next Steps

- Finalize Workplan
- Draft Background/Findings/Recommendations Document
- Executive Review
- Rebase Workgroup Review
- Schedule next meeting